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**Pioneer**

**PIONEER GLOBAL GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00224)**

**CONNECTED TRANSACTION:  
ACQUISITION OF 4% INTEREST  
IN THE TARGET COMPANY**

On 7 October 2015, Kind Regent, a wholly owned subsidiary of the Company, and the Purchasers, entered into a sale and purchase agreement with the Sellers (the “SPA”) pursuant to which the Purchasers shall purchase from the Sellers an aggregate of 79.73% of the issued shares in the Target Company (of which Kind Regent shall purchase 4.00% of the issued shares in the Target Company).

As at date of the announcement, (i) Advance System is owned by an investment fund controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw (executive directors of the Company); (ii) Mrs. Rossana Wang Gaw (executive director of the Company) is an investor in the investment fund which owns Advance System; and (iii) the ultimate beneficial owner of Elite Sino has 40% interest in a subsidiary of the Company. Thus, the Sellers are connected persons of the Company under the Listing Rules and the Acquisition constitutes a connected transaction.

As all of the applicable percentage ratios (as defined in the Listing Rules) exceed 0.1% but are less than 5%, the Acquisition is subject to the reporting and announcement requirements but exempt from circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

**ACQUISITION**

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## **SALE AND PURCHASE AGREEMENT**

### **Date**

7 October 2015

### **Sellers**

- 1) Advance System to sell 59.46% of the issued shares of the Target Company; and
- 2) Elite Sino to sell 20.27% of the issued shares of the Target Company,  
(together the “**Sellers**” or individually a “**Seller**”).

As at the date of this announcement, the Sellers are regarded as connected persons of the Company under the Listing Rules.

### **Purchasers**

- 1) Kind Regent to acquire 4.00% of the issued shares of the Target Company;
- 2) Prestige Goal Limited to acquire 5.05% of the issued shares of the Target Company;
- 3) Center Link Limited to acquire 1.05% of the issued shares of the Target Company;
- 4) PIA 2015 Investments (Singapore) Pte. Ltd. to acquire 32.80% of the issued shares of the Target Company;
- 5) PREP Alliance Limited to acquire 32.80% of the issued shares of the Target Company; and
- 6) CFIC-2014 NV Family Investments, LLC to acquire 4.03% of the issued shares of the Target Company,  
(together the “**Purchasers**” or individually a “**Purchaser**”).

#### *Notes:*

- Purchaser (2) is a company controlled by Mrs. Rossana Wang Gaw, who is an executive director of the Company;
- Purchaser (3) is a company controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw, who are executive directors of the Company. Purchaser (3) will be the asset manager of the Target Company and Kind Regent is not required to pay any fee or incentive to Purchaser (3); and
- Each of Purchaser (4), (5) and (6) and their respective ultimate beneficial owners are independent third parties of the Company and any connected person of the Company and is not a connected person of the Company.

## **Share purchase price**

The total share purchase price for the 79.73% of the issued shares of the Target Company is RMB983.6 million (equivalent to approximately HK\$1,199.5 million), which is based on an agreed value of RMB2,900.0 million (equivalent to approximately HK\$3,536.6 million) for the Property that will be 98.68% owned by the Target Company before Closing. The Group's commitment for the Acquisition shall be RMB49.3 million (equivalent to approximately HK\$60.1 million) which will be funded by internal resources. The Acquisition will be treated as an available for sale investment by the Group after Closing.

## **Payment terms**

- 1) deposit of US\$20.0 million (equivalent to approximately HK\$155.0 million) to be paid pro rata by each Purchaser within 10 business days after the date of the SPA; and
- 2) remaining balance of US\$134.8 million (equivalent to approximately HK\$1,044.7 million) to be paid by the Purchasers on the Closing date.

## **Major Conditions Precedent**

The Closing will be subject to the satisfaction of the completion of the following restructuring, refinancing and pre-closing distribution processes:

- 1) the Target Company has acquired 98.68% of the Property Company; and
- 2) the Target Company refinances the existing shareholders' loans by bank loans.

## **Closing**

Closing will occur upon the satisfaction of all the above conditions precedent:

- 1) on or before 90 days after the date of the SPA; or
- 2) on any date as may be agreed in writing between the Sellers and the Purchasers.

## **INFORMATION ABOUT THE PROPERTY COMPANY AND THE TARGET COMPANY**

The Property Company is currently held by Advance System (58.68%), Elite Sino (40.00%) and an independent third party (1.32%). The sole objective of the Property Company is to hold and manage the Property for rental income and capital appreciation. The Sellers have agreed, by means of a reorganization, to transfer their total interests (98.68%) of the Property Company into the Target Company. After the reorganization which will take place before Closing, Advance System and Elite Sino shall own 59.46% and 40.54% of the Target Company respectively.

As the Target Company has been a shelf company and has not yet commenced its business, no turnover and profits are reported. The financial information of the Property Company for the years ended 31 December 2013 and 31 December 2014 are as follows:

|                            | <b>For the year ended<br/>31 December 2013</b><br><i>(RMB million)</i><br>(audited) | <b>For the year ended<br/>31 December 2014</b><br><i>(RMB million)</i><br>(audited) |
|----------------------------|---|---|
| Net profit before taxation | 5.8   | 40.8  |
| Net profit after taxation  | 0.1   | 34.8  |

As at 31 December 2014, the audited carrying value of the Property in the Property Company, prepared in accordance with generally accepted accounting principles in the PRC, was approximately RMB821.5 million (equivalent to approximately HK\$1,001.8 million). As at 29 July 2015, the Property was valued at RMB3,400.0 million (equivalent to approximately HK\$4,146.3 million) by an independent valuer. According to the records of the Sellers, their total investment cost is approximately RMB598.0 million (equivalent to approximately HK\$729.3 million).

## **SHAREHOLDERS AND SHAREHOLDINGS OF THE TARGET COMPANY UPON CLOSING**

Upon Closing, the shareholders and shareholdings of the Target Company will be as follows:

- 1) Kind Regent: 4.00%;
- 2) Prestige Goal Limited: 5.05%;
- 3) Center Link Limited: 1.05%;
- 4) PIA 2015 Investments (Singapore) Pte. Ltd.: 32.80%;
- 5) PREP Alliance Limited: 32.80%;
- 6) CFIC-2014 NV Family Investments, LLC: 4.03%; and
- 7) Elite Sino: 20.27%.

The board of the Target Company will consist of five directors of which one director shall be appointed jointly by Prestige Goal Limited, Kind Regent and Center Link Limited. Kind Regent will also have (a) the right of first refusal over any share transfer by another shareholder, and (b) the tag along right to sell its shares.

## **INFORMATION ABOUT THE COMPANY**

The Company is principally engaged in property investment and hotel investment, and other investments.

## **INFORMATION ABOUT THE SELLERS**

Advance System is a limited company incorporated in British Virgin Islands with principal business activity of investment holding and is owned by an investment fund controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw (executive directors of the Company). Mrs. Rossana Wang Gaw (executive director of the Company) is an investor in the investment fund which owns Advance System.

Elite Sino is a limited company incorporated in British Virgin Islands with principal business activity of investment holding. The ultimate beneficial owner of Elite Sino has 40% interest in a subsidiary of the Company.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Property is a Grade A commercial property located in the central of Shanghai, Huangpu District. The Acquisition is in line with the principal business activity of the Group, namely property investment. The Board, including all independent non-executive directors, is of the view that terms of the Acquisition are determined after arm's length negotiations, which are fair and reasonable, and the Acquisition is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at date of the announcement, (i) Advance System is owned by an investment fund controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw (executive directors of the Company); (ii) Mrs. Rossana Wang Gaw (executive director of the Company) is an investor in the investment fund which owns Advance System; and (iii) the ultimate beneficial owner of Elite Sino has 40% interest in a subsidiary of the Company. Thus, the Sellers are connected persons of the Company under the Listing Rules and the Acquisition constitutes a connected transaction.

As all of the applicable percentage ratios (as defined in the Listing Rules) exceed 0.1% but are less than 5%, the Acquisition is subject to the reporting and announcement requirements but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mrs. Rossana Wang Gaw, Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw (executive directors of the Company) are regarded as connected persons having interests in the Acquisition, they are abstained from voting on the resolutions approving the Acquisition at a board meeting of the Company. All other Directors, including the independent non-executive directors, have reviewed and approved the resolutions related to the Acquisition.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

|                    |  |
|--------------------|--|
| “Advance System”   | Advance System Limited, a company incorporated in British Virgin Islands, being a connected person of the Company  |
| “Acquisition”      | the acquisition of 4.00% issued shares in the Target Company   |
| “Closing”          | the closing of the sale and purchase of an aggregate 79.73% of the issued shares in the Target Company pursuant to the SPA   |
| “Company”          | Pioneer Global Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange   |
| “connected person” | has the meaning ascribed to it under the Listing Rules   |
| “Board”            | the board of Directors   |
| “Directors”        | the directors of the Company   |
| “Elite Sino”       | Elite Sino Investments Limited, a company incorporated in British Virgin Islands, being a connected person of the Company  |
| “Group”            | the Company and its subsidiaries   |
| “HK\$”             | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”        | the Hong Kong Special Administrative Region of the PRC   |
| “Kind Regent”      | Kind Regent Holdings Limited, a wholly owned subsidiary of the Company   |
| “Listing Rules”    | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “PRC”              | People’s Republic of China   |
| “Property”         | Ciro’s Plaza (excluding 5,296 square meters retail area and 4,699 square meters office area) located at 388 Nanjing West Road, Huangpu District, Shanghai. The total gross floor area of the Property is 84,967.63 square meters |
| “Property Company” | Shanghai Ciro’s Real Estate Co., Ltd., a company incorporated in PRC, being the company directly holding the Property  |
| “Purchaser”        | each of the Purchasers   |

|                  |   |
|------------------|---|
| “Purchasers”     | Kind Regent, Prestige Goal Limited, Center Link Limited, PIA 2015 Investments (Singapore) Pte. Ltd., PREP Alliance Limited and CFIC-2014 NV Family Investments, LLC |
| “RMB”            | Renminbi, the lawful currency of PRC  |
| “Sellers”        | Advance System and Elite Sino   |
| “Shareholder(s)” | holders of shares of the Company  |
| “SPA”            | a sale and purchase agreement entered into between the Sellers and the Purchasers on 7 October 2015   |
| “Stock Exchange” | the Stock Exchange of Hong Kong Limited   |
| “Target Company” | True Partner Investments Limited, a company incorporated in British Virgin Islands  |
| “US\$”           | United States dollars, the lawful currency of the United States of America  |

By Order of the Board  
**Pioneer Global Group Limited**  
**Kenneth Gaw**  
*Managing Director*

Hong Kong, 7 October 2015

*As at the date of this announcement, the executive directors of the Company are Mrs. Rossana Wang Gaw, Mr. Goodwin Gaw, Mr. Kenneth Gaw, Ms. Christina Gaw and Mr. Alan Kam Hung Lee. The independent non-executive directors of the Company are Dr. Charles Wai Bun Cheung, J.P., Mr. Stephen Tan and Mr. Arnold Tin Chee Ip.*

*For the purpose of illustration only and unless otherwise stated, conversions of US dollars into Hong Kong dollars and Renminbi into Hong Kong dollars in this announcement are based on the exchange rate of HK\$7.75 to US\$1 and HK\$1 to RMB0.82 respectively. Such conversions should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.*